



Electronic Entertainment Services Plan

Executive Overview

the woodson group

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Background

The entertainment business continues to expand at an unprecedented rate as discretionary income rises and as the industry itself expands, diversifies and appeals to a broader portion of our population. Outside of restaurants, more families spend their discretionary income on entertainment than any other industry or commodity.

Gaining admission to entertainment events appears to become more challenging each day. Long lines form in advance of events to obtain admission tickets and, to avoid these lines, early arrival is a must to even secure an "on time" admission. Although payment vehicles are beginning to expand to the use of credit and debit cards, cash (or check) secures most admissions.

Once inside the entertainment complex, internal sales (e.g. concession stands, game rooms, sidewalk stores, etc.) most generally accept cash as the primary payment vehicle.

Unless third party services are employed (e.g. TicketMasters, DialTix, etc.), admission services are generally limited to the hours staffed by the individual business. Further, these third party providers are very limited in their service application (i.e. theatrical, sporting events, and major concerts) and, sometimes, their ability to deliver admission certificates on a timely basis.

In addition, the overhead and facilities associated with staffing "front window" admission services are increasing as entertainment companies staff up to meet late arrival public demand and long lines for major events. As certain entertainment sectors expand their businesses and services offered, the need for quick, efficient service becomes even more apparent. This trend is seen as cinema's/theaters begin to build complexes containing 24 plus cinema's in a single location and as cinema's and amusement parks alike expand the number of shops and restaurants available inside their complexes.

As competition increases between entertainment sectors for the same consumer discretionary dollar, convenience becomes an important and basic method for building and retaining customer loyalty. Long lines and transaction times begin to become a deterrent.

Product Overview

This Electronic Entertainment Services (EES) plan centers around bringing together existing technology in a consumer/company-friendly environment to provide unparalleled customer convenience and to reduce the overhead associated with front window admission services. The plan is presented in three phases; each designed to provide increasing consumer convenience, to promote incremental sales, and to reduce company overhead.

The plan (Phase I) includes installation of one or more wall mounted EES machines (much like ATM machines today) at or near the admission area of the entertainment business that permit customers to obtain tickets to current or future events utilizing credit cards, debit/banking cards, and/or pre-paid (stored value) cards. The machines would also be capable of dispensing and/or re-loading pre-paid cards for the purpose of obtaining admission tickets and/or services inside the entertainment complex itself (e.g. concession stands, retail shops, game rooms, etc.).

The second phase of the plan extends the implementation of EES machines in other major consumer outlets (e.g. malls, grocery stores, etc.) and adds the ability to perform the same EES functions by phone via Interactive Voice Response unit (IVR) services. This level of expansion will likely require participation by multiple clients to support the technological and real estate overhead associated with this level of support.

The third phase extends the same base EES machine functionality to the internet. Whether by phone or by internet, redemption of admission tickets and/or pre-paid cards would occur either at the entertainment complex where the event is to take place or at an EES machine (Phase II) of choice. For pre-paid cards, the consumer would also have an option of having them mailed to their home address.

For tickets or pre-paid cards ordered via phone or internet in advance, the transaction would be password protected. That is, upon ordering, the customer would be given a password or special code, which they would then use to redeem their tickets/pre-paid card at the EES machine elected during the transaction. For internet customers, they would have the additional option of printing their admission pass(es) locally at home. The password or special code would be validated at the event upon arrival.

The face and back design of the pre-paid card could be customized (see attached example) and would be issued with pre-paid values in whole dollars (e.g. \$20, 40, 60, 100, etc.). The card could be used in lieu of cash (especially attractive for use by children and as gifts) to obtain tickets and, if supported, all or select services within the entertainment complex. Once the stored value of the pre-paid card had been

used, the card may be discarded, retained for its novelty or nostalgic value (e.g. baseball cards), or re-loaded at a participating EES machine. The cards also become a great vehicle for advertising and promotions.

The EES machines themselves would be "touch screen" driven with simple menu's that would prompt the consumer through a logical set of instructions and queries to achieve the service(s) desired. The screen presentations would be in color and would afford the client the opportunity to customize its presentations, the order in which screen prompts occur and provide the client the ability to input their name and other advertising data/presentations. The screens would also allow the client or third party provider to update information presented to the customer such as a change in events, upcoming events, show/event times, etc. as needed.

These same "menu driven" options would be integrated into the telephone accessed IVR and internet phases of the service.

The EES machines would be client server driven and would interface with the clients existing in-house systems, if any exist. As the system expands beyond a single location, a central administrative data base would be connected to each clients location to control and dictate maintenance, monitor and react to inventory requirements (ticket paper, pre-paid cards, etc.), and provide remote service requirements.

As additional clients subscribe to the service, access to their menu's are also added to the list of "touch screens" presented. They would also be added to the telephone accessed IVR and internet service options.

Industry Application

The EES plan has wide industry applicability and appeal. Potential implementations include (stand alone businesses or "chains"):

- cinema's
- theaters
- sporting complexes
- entertainment/amusement parks (Six Flags, Disney World, etc.)
- Zoo's.